

## Message Text

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70

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 GSA-02 L-03 H-03 INT-08 SCEM-02

PA-03 PRS-01 USIA-15 DODE-00 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 DRC-01 /175 W  
----- 020056

R 202217Z SEP 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 1774

LIMITED OFFICIAL USE OTTAWA 2271

E.O. 11652: N/A

TAGS: EIND, ETRD, CA

SUBJECT: CANADA'S FERROUS SCRAP REQUIREMENTS

REF: A. STATE 183681

B. STATE 182043

C. OTTAWA 1613

1. IN SEPTEMBER 20 CONVERSATION WITH J.R. MIDWINTER AND R.J. JONES OF DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE (ITC), THEY PROMISED US COMPLETE AS POSSIBLE INFORMATION RESPONSIVE TO REF. A.

2. THEY STATED CANADIAN REQUIREMENT FOR FERROUS SCRAP FROM U.S. SEPTEMBER 12 TO DECEMBER 31, 1973 WAS 343,000 TONS. THIS EXCLUDES FOUNDRY USE AND COVERS NEEDS OF MAJOR USERS ONLY FOR STEEL PRODUCTION, THEY SAID. THIS FIGURE IS, OF COURSE, ADDITIONAL TO AMOUNTS RECEIVED UP TO SEPTEMBER 12 (REF. B). THEY STATED CANADIAN REQUIREMENTS ARE RUNNING AT ABOUT 100,000 TONS

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PER MONTH FROM THE U.S. WHICH IS THE NORMAL

RATE.

3. THEY MENTIONED 25 PERCENT DISCREPANCY BETWEEN CY 1972 RECORDED CANADIAN IMPORTS OF FERROUS SCRAP FROM U.S. AT 1.225 MILLION TONS AND RECORDED U.S. EXPORTS TO CANADA OF 905,000 TONS. THEY ARE LOOKING INTO THIS, AND THOUGHT SHIPS AND FREIGHT CARS ON THE RAILS SENT FROM U.S. TO CANADA FOR SCRAPPING MIGHT EXPLAIN PART OF DISCREPANCY.

4. THEY STATED FINALLY THAT, EFFECTIVE SEPTEMBER 7, ITC TIGHTENED CONTROLS (SEE REF. C) OVER OFF-SHORE EXPORTS OF FERROUS SCRAP BY ADMINISTRATIVE ACTION AS FOLLOWS:

"A) EXPORT SHIPMENTS BY ANY ONE APPLICANT OF OVER 1,000 NET TONS TO ANY ONE DESTINATION OR PLACE IN ANY CALENDAR MONTH WILL NOT NORMALLY BE PERMITTED. AN EXCEPTION MAY BE PERMITTED IN CASES WHERE SCRAP IS IMPORTED INTO CANADA FOR PROCESSING AND IT OR ITS EQUIVALENT IS RE-EXPORTED TO THE COUNTRY OF ORIGIN.

"B) AFFIDAVITS WILL BE REQUIRED TO PROVE THAT THE APPLICANT OWNS, OR HAS OPTIONS TO BUY SUFFICIENT SCRAP TO COVER THE PROPOSED SHIPMENT. THIS SCRAP MAY BE SUBJECT TO INSPECTION BY THE CANADIAN GOVERNMENT."

MIDWINTER SAID THIS MOVE WAS INTENDED TO REDIRECT SCRAP TO CANADIAN AND U.S. MILLS.  
SCHMIDT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT CONTROLS, METALS, EXPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** A. STATE 183681  
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**Review Authority:** garlanwa  
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**Review Content Flags:**  
**Review Date:** 11 SEP 2001  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CANADA'S FERROUS SCRAP REQUIREMENTS  
**TAGS:** EIND, ETRD, CA, US  
**To:** STATE  
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